



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

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Lieutenant Governor

January 12, 2004

Certified Return Receipt
7099 3400 0016 8896 3106

Mr. John Archer
Ashley Creek Phosphate Company
P. O. Box 58031
Foothill Station
Salt Lake City, Utah 84158-0031

Subject: Expiration of Notice of Intention to Conduct Exploration Activities,
Ashley Creek Phosphate Company, Ashley Creek Exploration,
E/047/043, Uintah County, Utah

Dear Mr. Archer:

On December 2, 2002, the Division received from you an exploration progress report for the Ashley Creek Exploration project. On April 4, 2003, we wrote your attorney, Mr. Craig Smay, by certified mail and made the following statement:

No supporting information was included with the report describing the specific geologic modeling and process studies being performed, or an anticipated timeframe to complete the exploration and reclamation activities. Without sufficient justification to support leaving the exploration permit open, we cannot continue to grant further time extensions. A decision on what additional exploration may be required for the project area, when it will be conducted, and/or a schedule for completing the reclamation of all remaining exploration-related disturbances (*including unreclaimed exploration access roads*) must be provided by the end of the **current exploration permit extension period (November 30, 2003)** to the Division.

The Division has not received the required justification for leaving the exploration permit open, a decision on what additional exploration may be required

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or when it will be conducted, or a schedule for completing the reclamation of remaining disturbances. The exploration permit extension period and the time outlined in our April 4, 2003, letter has ended. ***Therefore, in accordance with rule R647-2-102, your exploration notice of intention, E/047/043, has expired. The Division requires reclamation of all remaining disturbances associated with this notice.***

The Mineral Exploration Progress Report received from you on December 2, 2002, says trench T-8-97 is not reclaimed and that there is less than one (1) acre of unreclaimed acreage. A file report documenting an August 14, 2003, site inspection by Paul Baker and Doug Jensen, suggests that there are additional areas requiring reclamation besides trench T-8-97. Some of these sites are discussed in the report for the August 14, 2003, inspection, but there are other exploration sites and roads that also need to be reclaimed. Some of the exploration sites have been adequately reclaimed and need no more work.

To clarify exactly what reclamation needs to be done and develop a reclamation schedule, we would like to meet with you or your authorized representative at the site and look at the various roads, drill pads, trenches, and other disturbances and compare them to maps in your Notice of Intention. Based on this site visit, you and the Division should be able to compile a list of exactly what reclamation work needs to be done. This should be done in the spring as soon as the snow has melted, but no later than May 31, 2004. Before May 1, 2004, please contact Paul Baker or Doug Jensen of my staff to arrange a date for this onsite meeting.

Normally we recommend that seeding operations be conducted in the fall right after recontouring work is completed. However, if any holes remain unplugged, this work could be completed during the spring or summer months. Grading should not be started until about September 1, 2004. Reclamation grading and seeding must be completed by October 15, 2004.

Our April 4, 2003, letter to Mr. Smay also said the Division would suspend further review of the large access road proposal until it had received a mining and reclamation plan for the mine or until December 31, 2003. If a mine proposal had not been received by then, the Division would terminate its review and return all road application materials to you.

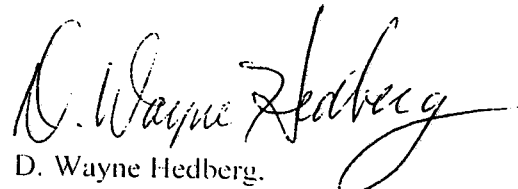
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The deadline for submittal of a notice for the mine has now passed, so please find, enclosed, the road application you submitted in May 2002.

Once you have completed planning for the mine, please submit your Notice of Intention to Commence Large Mining Operations. Hopefully, the review comments we have previously provided will assist you in planning for mine development and the access road.

If you have any questions about this letter or the reclamation requirements, please call me at 801-538-5286; Paul Baker, reclamation biologist, at 801-538-5261; or Doug Jensen, reclamation engineer, at 801-538-5382.

Sincerely,



D. Wayne Hedberg,
Minerals Permit Supervisor
Division of Oil, Gas and Mining

DWHEPBB:jfb

Enclosure: Road application rec'd 5/13/02 (two documents)

cc: Will Stokes, SITLA

Mary Ann Wright, OGM

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